

Appendix D

DoD Policy Memoranda

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THE DEPUTY SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

05 MAY 1992

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: 1993 Base Realignments and Closures (BRAC 93)

Reducing the Department's unneeded physical plant through base closures and realignments is a top Defense priority. We have made good progress so far. I look to you, individually and collectively, to recommend further reductions consistent with DoD's planned force reductions.

We must begin the 1993 base realignment and closure process now. Significant reductions in our physical plant can only be achieved after careful studies involving not only structural change, but also operational and organizational change.

The attached establishes policy, procedures, authorities and responsibilities for selecting bases for realignment or closure under Public Law 101-510, as amended by Public Law 102-190. This guidance supersedes Deputy Secretary of Defense memoranda of October 25, 1990, and December 10, 1990.

Donald J. Atwood

Attachment

1993 BASE REALIGNMENTS AND CLOSURES (BRAC 93)
POLICY, PROCEDURES, AUTHORITIES AND RESPONSIBILITIES

Purpose

The guidance herein establishes the policy, procedures, authorities and responsibilities for selecting bases for realignment or closure under Public Law 101-510, as amended by Public Law 102-190. The guidance supersedes Deputy Secretary of Defense memoranda of October 25, 1990, and December 10, 1990.

Background

Title XXIX, Part A of Public Law 101-510 established the exclusive procedures under which the Secretary of Defense may pursue realignment or closure of military installations with certain exceptions. The law established an independent Defense Base Closure and Realignment Commission to review the Secretary's recommendations in calendar years 1991, 1993 and 1995.

Applicability

This guidance applies to those base realignment, closure and consolidation studies and recommendations which must, by law, be submitted to the 1993 Defense Base Closure and Realignment Commission (the 1993 Commission) for review.

Exceptions

This guidance does not apply to actions which:

- o Implement realignments or closures under Public Law 100-526, relating to the recommendations of the 1988 Defense Secretary's Commission on Base Realignment and Closure (the 1988 Commission);
- o Implement realignments or closures under Public Law 101-510, relating to the recommendations of the 1991 Defense Base Closure and Realignment Commission (the 1991 Commission);
- o Study or implement realignments or closures to which Section 2687 of Title 10, United States Code, is not applicable;
- o Reduce force structure unless the reduction results in a base closure or realignment subject to Public Law 101-510. Reductions in force structure may be made under this exception even if the units involved were designated to relocate to a receiving base by the 1988 or the 1991 Commission; or

- o Impact any facilities used primarily for civil works, rivers and harbor projects, flood control, or other projects not under the primary jurisdiction or control of the Department of Defense.

Policy Guidance

Base realignment, closure or consolidation studies that could result in a recommendation for a base closure or realignment, other than actions covered by an exception above, must meet the following requirements:

- o The studies must have as their basis the Force Structure Plan required by Section 2903 of Public Law 101-510;

- o The recommendations must be based on the final criteria for selecting bases for closure and realignment required by that Section; and

- o The studies must consider all military installations inside the United States (as defined in the law) on an equal footing, including bases recommended for partial closure, realignment, or designated to receive units or functions by the 1988 or 1991 Commissions.

DoD Components may propose changes to previously approved designated receiving base recommendations of the 1988 and 1991 commissions provided such changes are necessitated by revisions to force structure, mission or organization since the commission recommendation was made. Documentation for such changes must involve clear military value or significant savings, and be based on the final criteria

Comprehensive studies of your base structure may begin now using the selection criteria included in this memorandum and the force table in the Secretary of Defense's March 19, 1991, force structure plan. Your studies must be revalidated against the final selection criteria and the final force structure plan when promulgated.

Record Keeping

DoD Components shall, from the date of this memorandum, develop and keep:

- o Descriptions of how base realignment and closure recommendations were made, including minutes of all deliberative meetings;

- o Descriptions of how recommendations met the final selection criteria and were based on the final force structure plan;

- o All data, information and analyses considered in making base realignment and closure recommendations; and

- o Documentation for each recommendation to the Secretary of Defense to realign or close a military installation under this law.

Internal Controls

DoD Components must develop and implement an internal control plan for these base realignment, closure or consolidation studies to ensure the accuracy of data collection and analyses. At a minimum, these internal control plans should include:

- o Uniform guidance defining data requirements and sources;
- o Systems for verifying the accuracy of data at all levels of command;
- o Documentation justifying changes made to data received from subordinate commands;
- o Procedures to check the accuracy of the analyses made from the data; and
- o An assessment by your auditors of the adequacy of your internal control plan.

Responsibilities

- o Nominations: The FY 1992 Defense Authorization Act requires that all eight commissioners be nominated by the President no later than January 25, 1993, or the 1993 process will be terminated. The Assistant to the Secretary of Defense will handle all matters relating to the Secretary's recommendations to the President for appointments to the 1993 Commission. All inquiries from individuals interested in serving on the Commission should be referred to the Assistant to the Secretary.

- o Commission Support: The Under Secretary of Defense (Acquisition) (USD(A)) and the Director of Administration and Management will coordinate the Department's support to the 1993 Commission.

- o Final Selection Criteria: The USD(A) in coordination with the Secretaries of the Military Departments, the Chairman of the Joint Chiefs of Staff and such other officials as may be appropriate, shall consider whether the final selection criteria developed in accordance with Public Law 101-510 should be amended. Proposed amendments to the selection criteria must be made in accordance with Public Law 101-510 and approved by the Secretary of Defense.

o Force Structure Plan: The Chairman of the Joint Chiefs of Staff, in coordination with the Under Secretary of Defense for Policy (USD(P)), the USD(A), DoD Comptroller, and such other officials as may be appropriate, shall develop the force structure plan in accordance with Public Law 101-510, as amended, and submit it to the Secretary of Defense for approval. Pending issuance of the force structure plan by the Secretary of Defense, DoD components shall use the force table in the force structure plan promulgated by the Secretary of Defense on March 19, 1991.

o Additional Instructions: The USD(A) may issue such instructions as may be necessary: to implement these policies, procedures, authorities and responsibilities; to ensure timely submission of work products to the Secretary of Defense and to the 1993 Commission; and, to ensure consistency in application of the selection criteria, methodology and reports to the Secretary of Defense, the 1993 Commission and the Congress. The authority and duty of the Secretary of Defense to issue regulations under Title XXIX of Public Law 101-510 as amended are hereby delegated and assigned to the USD(A). The USD(A) should exercise that authority in coordination with other DoD officials as appropriate.

o Primary Point of Contact: The USD(A) shall be the primary point of contact for the Department of Defense with the 1993 Commission. Each DoD component shall designate to USD(A) one or more points of contact with the 1993 Commission. USD(A) shall establish procedures for interaction with the 1993 Commission similar to the procedures used to interact with the 1991 Commission.

o Internal Controls: The DoD Inspector General shall be available to assist the DoD Components in developing, implementing and evaluating internal control plans.

Submitting Recommendations

The Secretaries of the Military Departments, the Directors of the Defense Agencies, and the heads of other DoD Components shall (without delegation) submit their recommendations for base realignments or closures under this law to the Under Secretary of Defense (Acquisition) for appropriate processing and forwarding to the Secretary of Defense for approval.

The USD(A) shall issue a schedule to ensure submission of recommendations to the 1993 Commission by March 15, 1993, allowing adequate time for action by the Secretary of Defense.

Selection Criteria

The following selection criteria shall be used to begin base structure studies and to make base realignment and closure recommendations. Studies must be revalidated against the final selection criteria approved by the Secretary of Defense in the event that the final selection criteria differ from those set forth below.

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

Military Value

1. The current and future mission requirements and the impact on operational readiness of the Department of Defense's total force.
2. The availability and condition of land, facilities and associated airspace at both the existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.
4. The cost and manpower implications.

Return on Investment

5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.

Impacts

6. The economic impact on communities.
7. The ability of both the existing and potential receiving communities' infrastructure to support forces, missions and personnel.
8. The environmental impact.



ACQUISITION

THE UNDER SECRETARY OF DEFENSE
WASHINGTON, DC 20301

May 5, 1992

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: 1993 Base Realignments and Closures (BRAC 93)

I hereby redelegate to the Assistant Secretary of Defense for
Production and Logistics all the authorities and responsibilities
delegated to me by the Deputy Secretary of Defense memorandum of today's date
titled, "1993 Base Realignments and Closures (BRAC 93)."


Don Hockey



ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-8000

August 4, 1992

PRODUCTION AND
LOGISTICS

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: 1993 Base Closure Policy Memorandum One

Background

Deputy Secretary of Defense memorandum of May 5, 1992, (attached) established policy, procedures, authorities, and responsibilities for closing and realigning bases under Public Law (P.L.) 101-510, as amended by P.L. 102-190, for the 1993 base closure process (BRAC 93). The Under Secretary of Defense for Acquisition delegated USD(A) authorities and responsibilities to the Assistant Secretary of Defense for Production and Logistics (ASD(P&L)) on May 5, 1992, (also attached). This memorandum is the first in a series of additional ASD(P&L) policy memoranda implementing the Deputy Secretary's BRAC 93 guidance. ASD(P&L) policy memoranda of January 7, February 13, March 7 and March 26, 1991, are hereby cancelled.

Cumulative Impacts on Installations

P.L. 101-510 stipulates that no action may be taken to carry out a closure or realignment that exceeds the thresholds set forth in the Act, until those actions have obtained final approval pursuant to the Act.

In determining whether the Act's numerical closure or realignment thresholds are met, independent actions that result in closures or realignments shall be considered separately. In other words, the cumulative impact of independent actions need not be considered when determining application of the Act. However, closure or realignment actions shall not be broken into smaller increments for the purpose of avoiding application of the Act. Subject to the foregoing, closure or realignment actions that do not exceed the numerical thresholds set forth in the Act may proceed outside the established BRAC 93 process. Questions whether or not proposed actions are independent should be referred to DoD Components' General Counsel.

Applicability of P.L. 101-510

DoD Components must use a common date to determine P.L. 101-510 applicability. For BRAC 93, the common date will be September 30, 1992, the last quarter of actual data available for use in making BRAC 93 recommendations before March 15, 1993, reporting deadline.

Also, nonappropriated fund employees are not direct hire, permanent civilian employees of the Department of Defense, as defined by P.L. 101-510, and therefore should not be considered in determining applicability of the law.

Activities in Leased Space

DoD Component organizations located in leased space are subject to P.L. 101-510. Civilian personnel authorizations of organizations in leased space, which are part of an organization located on a nearby military installation or one within the same metropolitan statistical area (MSA), shall be considered part of the civilian personnel authorizations of that installation. Each DoD Component should aggregate the remaining civilian personnel authorizations of their organizations in leased space within a MSA and consider the aggregate to be a single installation for applying the numerical thresholds of P.L. 101-510. For the National Capital Region (NCR), the NCR, as defined by the National Capital Planning Act (40USC71), will be used as the MSA.

Categories of Bases

One of the first steps in evaluating the base structure for potential closures or realignments must involve grouping installations with like missions, capabilities, or attributes into categories, and when applicable, subcategories. Categorizing bases is the necessary link between the forces described in the Force Structure Plan and the base structure. Determining categories of bases is a DoD Component responsibility.

Capacity/Military Value Analyses

Another early evaluation step is determining whether each category/subcategory has potential excess capacity for the end state force levels contained in the Force Structure Plan. Should no excess capacity be found in a category/subcategory, there is no need to continue analyzing that portion of the base structure, unless there is a military value or other reason to continue the analysis. Bases in such categories/subcategories shall remain available as potential receivers of missions or functions.

Conversely, if you recommend a base for closure or realignment, your analysis must have considered all bases within that category/subcategory, as well as cross-category opportunities. If in applying the military value criteria, you find bases that are militarily/geographically unique or mission-essential (such that no other base could substitute for them) you may justify that fact and exclude these bases from further analysis.

Criteria Measures/Factors

DoD Components must develop and use one or more measures/factors for applying each of the final criteria to base structure analyses. While objective measures/factors are desirable, they will not always be possible to develop. Measures/factors may also vary for different categories of bases. DoD Components must describe the relationship between each measure/factor used and the final criteria in BRAC 93 documentation.

Cross-Category/Multi-Service Opportunities

DoD Components should continually look for cross-category opportunities, and cooperate with sister Services and Defense Agencies to pursue multi-service asset sharing or exchange, throughout the BRAC 93 process.

COBRA Cost Model

DoD Components must use the Cost of Base Realignment Actions (COBRA) cost model to calculate the costs, savings and return on investment of proposed closures and realignments. Dollar inputs to COBRA will be in FY 1994 constant dollars. The Army is executive agent for COBRA. Model improvements and documentation will be completed by October, 1992.

Data Certification

Section 2821(e)(3) of P.L. 102-190 amended P.L. 101-510 and required specified DoD personnel to certify to the best of their knowledge and belief that information provided to the Secretary of Defense or the 1993 Base Closure and Realignment Commission (the 1993 Commission) concerning the closure or realignment of a military installation is accurate and complete.

The Deputy Secretary's BRAC 93 memorandum requires DoD Components to establish an internal control plan to ensure the accuracy of data used in BRAC 93 analyses.

In view of the above, DoD components shall establish procedures and designate appropriate personnel to certify that data collected for use in BRAC 93 analyses is accurate and complete to the best of that person's knowledge and belief. DoD Components' certification procedures should be incorporated with the required internal control plan. Both are subject to audit by the General Accounting Office. Finally, Secretaries of the Military Departments, Directors of Defense Agencies, and heads of other DoD Components must certify to the Secretary of Defense that data used in making BRAC 93 recommendations to the Secretary are accurate and complete to the best of their knowledge and belief.

Information provided to the 1993 Commission pursuant to a request after March 15, 1993, must also be certified. However, ASD(P&L) involvement must be maintained, as ASD(P&L) has been designated the primary point of contact for DoD with the 1993 Commission. Also, DoD Component certification procedures must not result in lengthy delays in providing requested information. DoD Components must therefore establish special procedures to ensure not only that appropriate certifications are made by designated personnel, but also that responses to requests for information are timely, while allowing sufficient time for DoD Component headquarters and ASD(P&L) involvement.

Force Structure Plan

The Chairman of the Joint Chiefs of Staff should coordinate the Force Structure Plan required by the Deputy Secretary's BRAC 93 memorandum with the Assistant Secretary of Defense for Program Analysis and Evaluation, the Assistant Secretary of Defense for Reserve Affairs, and the General Counsel, in addition to the Under Secretary of Defense for Policy, ASD(P&L), and DoD Comptroller.

Dissemination of Guidance

DoD Components shall disseminate the Deputy Secretary's guidance, this policy memorandum, and subsequent policy memoranda as widely as possible throughout their organizations.



Colin McMillan
Assistant Secretary of Defense
(Production and Logistics)

Attachments



THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301-1000



December 3, 1992

MEMORANDUM FOR: SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARY OF DEFENSE FOR ACQUISITION

SUBJECT: Base Closure and Realignment Proposals in Support of Streamlining of
Defense Depot Maintenance Activities

To streamline defense depot maintenance activities and increase efficiency, the Secretaries of the Military Departments, in coordination with the Chairman of the Joint Chiefs of Staff and the Under Secretary of Defense for Acquisition, shall prepare integrated proposals, with cross-Service inputs, to streamline defense depot maintenance activities, for the Secretary of Defense's consideration for submission to the 1993 Base Closure and Realignment Commission under the Defense Base Closure and Realignment Act of 1990 (Title XXIX of Public Law 101-510). Such proposals shall be designed to support the following lead Military Department assignments for defense-wide depot maintenance:

- | | |
|----------------------------------|--|
| Department of the Army lead | — ground weapon systems and equipment |
| Department of the Navy lead | — ships, other watercraft, and ship systems |
| Department of the Air Force lead | — fixed and rotary wing aviation and aviation systems. |

The Under Secretary of Defense for Acquisition may issue such instructions as may be necessary to implement this memorandum. Instructions to the Military Departments shall be issued through the Secretaries of the Military Departments.



PRODUCTION AND
LOGISTICS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-8000

04 DEC 1992

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
DIRECTORS OF THE DEFENSE AGENCIES
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT

SUBJECT: Base Closure Policy Memorandum Two

Background

This memorandum is the second in a series of additional ASD(P&L) policy guidance implementing the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), as amended, and the Deputy Secretary's 1993 Base Realignment and Closure (BRAC 93) guidance of May 5, 1992. ASD(P&L) Policy Memorandum One was dated August 4, 1992.

Military Treatment Facility (MTF) Analyses

The Secretaries of the Military Departments will be responsible for including Military Treatment Facilities (MTFs) in their BRAC 93 analyses. Nominations of the Military Departments of MTF closures or realignments will be reviewed by the Assistant Secretary of Defense for Health Affairs (ASD(HA)) and returned to the Secretaries of the Military Departments. The final recommendations of the Secretaries of the Military Departments to the Secretary of Defense will include the views of the ASD(HA), if different from those of the Secretaries of the Military Departments.

The Secretaries of the Military Departments and ASD(HA), working together through the Health Affairs Base Closure Joint Service Working Group, may also identify MTFs as candidates for closure or reduction, such as when multiple DoD health care delivery activities create overlapping catchment areas or when small beneficiary populations reside within areas where more cost effective alternatives should be considered. Working group recommendations will be forwarded to the Secretaries of the Military Departments for inclusion in their final recommendations as appropriate. If the Secretary of a Military Department disagrees with a closure recommendation forwarded by the Health Affairs Base Closure Joint Service Working Group, the Secretary shall forward the Group's recommendation with the Secretary's reason for disagreeing, to the Secretary of Defense.

Return on Investment (ROI)

Return on investment must be calculated, considered and reported with DoD Components' justifications for each recommended closure or realignment package. All costs and savings attributable over time to a closure or realignment package, subject to the below guidance, should be calculated, including costs or savings at receiving locations. Costs or savings elements that are identified, but determined to be insignificant, need not be calculated. However, DoD Component records should indicate that determination.

The Cost of Base Realignment Actions (COBRA) model calculates return on investment. ASD(P&L) Policy Memorandum One required the Military Departments and Defense Agencies to use the current COBRA version (4.0), in order to ensure consistency in methodology. Although the model does not produce budget quality data, it uses standard cost factors and algorithms to estimate costs and savings over time.

We recognize that Military Department and Defense Agency planning and accounting mechanisms are sufficiently different to warrant Department/Agency specific standard cost factors in the COBRA model. DoD Component documentation must justify the use of such cost factors.

Attachment 1 provides additional guidance on the COBRA model and return on investment calculations for those rare instances when it is impossible to use the COBRA model for calculations.

Specific instructions follow for the calculation of health care costs, unemployment costs, Homeowners Assistance Program and environmental costs, and savings for input to the COBRA model.

o Health Care Costs

oo CHAMPUS Costs Base closures and realignments can have an impact on CHAMPUS costs DoD-wide. These net cost impacts must be included in analyses of closures or realignments involving Military Treatment Facilities.

oo Medicare Costs Medicare costs will not be included in DoD Component cost analyses. The Medicare program consists of Part A (hospital and related costs) and Part B (supplemental costs). Part A is financed by Medicare payroll taxes. The only appropriated funds used to support Medicare are those portions of the Part B costs that exceed the monthly premiums paid by the members/beneficiaries. Therefore, total Medicare appropriations will not significantly change return on investment calculations.

o Unemployment Costs The Military Departments and Defense Agencies annually budget unemployment contributions to the Federal Employees Compensation Account for DoD military and civilian employees. DoD Components should include the contributions attributable to closures and realignments in their cost calculations.

o Homeowners Assistance Program (HAP) The Secretary of the Army will provide each Military Department and Defense Agency with a list of installations that have a reasonable probability of having a HAP program approved, should the installation be selected for closure or realignment. HAP costs will be included for each of the installations so identified by the Secretary of the Army.

o Environmental Restoration Costs Environmental Restoration costs at closing bases are not to be considered in cost of closure calculations. DoD has a legal obligation for environmental restoration regardless of whether a base is closed or realigned. Where closing or realigning installations have unique contamination problems requiring environmental restoration, these will be considered as a potential limitation on near-term community reuse of the installation.

o Environmental Compliance Costs Environmental compliance costs can be a factor in a base closure or realignment decision. Costs associated with bringing existing practices into compliance with environmental rules and regulations can potentially be avoided when the base closes. Environmental compliance costs may be incurred at receiving locations also, and therefore will be estimated.

o Land Value Given existing statute and practice regarding the disposal of real property, especially public benefit transfers, land and facilities value may not always be realized. In cases where some proceeds can be expected, Military Departments and Defense Agencies must estimate the amount to be received for such real property. Estimated land and facility value will generally be based on the anticipated highest and best use for the land and facilities, assuming appropriate zoning, unless readily available information indicates that zoning is likely to be more restrictive. Where installations have unique contamination problems, a portion of the installation may have to be segregated from disposal so that community reuse may proceed on the balance. Estimated value should be adjusted: for any such parceling, including discounting proceeds when sale of contaminated property is possible only after cleanup is complete; for reduced prices where property is likely to be sold for restricted uses; or, when significant public benefit discount transfers are anticipated.

o Force Structure Savings The savings associated with force structure drawdowns shall not be included in the return on investment calculations. While decreased force structure will often be the underlying reason for recommending base closures or realignments, the savings associated with closing bases should be founded on the elimination of base operating support (BOS), infrastructure and related costs.

o Military Construction Military Departments and Defense Agencies will describe anticipated construction requirements (barracks square feet, etc.) to implement a BRAC recommendation and not actual projects. These requirements only become projects during the implementation phase after the Commission meets and after installation site surveys are conducted and formal project documents (DD 1391s) are prepared.

o Construction Cost Avoidances Closing and realigning bases can result in construction cost avoidances. Cost avoidances should include FY94-99 programmed military and family housing construction that can be avoided at the closing or realigning base, other than new-mission construction.

COBRA Model Assumptions

The following statements clarify certain cost assumptions written into the COBRA model:

- o Local Moves. Moves of less than 50 miles will not incur PCS moving costs.

- o Priority Placement System Costs. Forty-one percent of all employees placed in other jobs through the DoD Priority Placement Program will be relocated at government expense (based on historical data).

- o Students. For the purposes of return on investment calculations, relocation of students will only impact the COBRA model's calculation of overhead costs, and as appropriate, estimates of military construction requirements.

Economic Impacts

Attachment 2 provides guidance on the calculation of economic impact on closing, realigning and receiving communities.

Environmental Impacts

Attachment 3 provides guidance on documenting environmental impact considerations at closing, realigning and receiving locations.

For environmental impact considerations, there is no need to undertake new environmental studies. DoD Components may use all available environmental information regardless of when, how or for what purpose it was collected. If a DoD Component should choose to undertake a new environmental study, the study must collect the same information from all bases in the DoD Component's base structure, unless the study is designed to fill gaps in information so that all bases can be treated equally. Attachment 3 provides a sample of the reporting format used to summarize the environmental consequences of closure or realignment of an installation.

Receiving Bases

DoD Components must identify receiving bases for large units or activities, including tenants which are to be relocated from closing or realigning bases. The COBRA model will calculate the costs for relocating such units or activities. DoD Components do not need to identify specific receiving bases for units or tenants with less than 100 civilian/military employees. Finding homes for these activities can be left to execution. However, DoD Components should establish a generic "base x" within the COBRA model to act as the surrogate receiving base for the aggregation of these smaller units or activities, in order to ensure completeness of cost and savings calculations.

Reserve Enclaves

On each base designated for closure or realignment the future of guard and reserve units of all Military Departments residing on or receiving support from that base must be considered. Once a decision has been made to include an enclave or relocate guard and reserve units, the effected unit identifications must be included in the DoD Component's recommendations to the Secretary of Defense. Military construction and repair costs of fitting out an enclave for reserve component or guard use will be estimated.

Community Preference

Military Departments and Defense Agencies must document the receipt of valid requests received under section 2924 of P.L. 101-510 and document the steps taken to give them special consideration. Such documentation is subject to review by the General Accounting Office, the Commission and the Congress.

Release of Information

Public Law 101-510, as amended, established the Defense Base Closure and Realignment Commission to review the Secretary of Defense's recommendations for the closure or realignment of military installations and to conduct public hearings on the recommendations. Unless specifically required by law, data used by the DoD Components to analyze and evaluate military installations will not be released until the Secretary's recommendations have been forwarded to the Commission.

The General Accounting Office (GAO), however, has a special role in assisting the Commission in its review and analysis of the Secretary's recommendations and must also prepare a report detailing the Secretary's selection process. As such, the GAO will be provided, upon request, with as much information as possible without compromising the deliberative process. The Military Departments and Defense Agencies must keep records of all data provided to the GAO.

Actions With Multiple Installation Impacts

This expands the policy guidance on cumulative impacts on installations previously provided in ASD(P&L) Policy Memorandum One.

As the DoD Components review their base structure or conduct functional studies with base closure or realignment impacts, a determination must be made as to whether a review or study impacting more than one installation should be considered a single action under P.L. 101-510. To be considered a single action, the review or study must:

- (1) Result in the closure or realignment of at least one installation which would trigger the numerical thresholds of P.L. 101-510; and
- (2) Involve inextricably linked elements, in that failure to proceed with any one element of the action would require reevaluation of the entire action.

Reporting Formats

Attachment 4 describes the reporting formats for: (1) the anticipated DoD report to the Commission, and (2) Military Department and Defense Agency justifications for their March 15, 1993, closure and realignment recommendations.



Attachments

1. Return on Investment Calculations
2. Economic Impact Calculations
3. Environmental Impact Considerations
4. Report Format

Return on Investment Calculations (COBRA Alternative)

In those rare instances when use of the COBRA model is not possible, Return on Investment can be calculated as follows:

- 1) Array all the calculated costs and savings by fiscal year for the closure or realignment option. Costs and savings should be arrayed uninflated for 20 years.
- 2) Discount each year of the net costs or savings using a 10 percent discount rate.
- 3) Determine the fiscal year the closure or realignment is completed. The year of the closure is defined as the year in which the majority of personnel have left, and the mission and functions cease to be performed at the installation. For these calculations, a closure or realignment can be considered complete even if the installation is in caretaker status.
- 4) Count the number of years, after the year of completion, it takes for the net present value to reach zero or become negative. This number is the return on investment years.
- 5) Sum the discounted net costs/savings for the 20-year period. This sum is the 20-year net present value.

OMB Circular A-94 applies to these calculations, in general, by specifying a 10 percent discount rate and zero percent inflation.

Exceptions to the above guidance will be considered on a case by case basis by ASD(P&L) if warranted.

Attachment 1

Economic Impact Calculations

Economic impact on communities will be measured by the direct and indirect effect on employment at closing and realigning bases, as well as at receiving locations.

The Office of Economic Adjustment (OEA) will design and update computer spreadsheets with the appropriate multipliers to measure indirect economic impacts.

The Military Departments and Defense Agencies will be responsible for determining changes in military, civilian and contractor employment at each base. Only contractor personnel employed on the base, or in the immediate vicinity, which support on-base activities will be considered. This is the direct employment impact. The OEA spreadsheets have a place for entry of this data which will be a Military Department and Defense Agency responsibility. Once entered, the computerized spreadsheet will calculate the economic impact (the direct and indirect effect on employment) of the closure or realignment for each affected installation. The military and DoD civilian data used for calculating the economic impact must be the same as used in the COBRA model.

Environmental Impact Considerations

SUMMARY OF ENVIRONMENTAL CONSEQUENCES
RESULTING FROM CLOSURE/REALIGNMENT ACTION AT:

Installation Name

Location

(Provide a summary statement and status for the following environmental attributes at each installation affected by the closure/realignment action, including receiving installations. These key environmental attributes are not meant to be all inclusive. Others may be added as appropriate.)

- o Threatened or Endangered Species
- o Wetlands
- o Historic or archeological sites
- o Pollution Control
- o Hazardous Materials/Wastes
- o Land Use and Airspace Implications
- o Programmed Environmental Costs/Cost Avoidances

Department of Defense
Base Closure and Realignment
Report to the Commission

Executive Summary (Volume I)

- | | |
|---|-------------|
| 1. 1993 Base Closure Procedures | P&L |
| 2. Force Structure Summary - Unclassified | Joint Staff |
| 3. Final Criteria | P&L |
| 4. Compilation of Recommendations | P&L |
| 5. Implementation | P&L |

Appendices

- | | |
|---|-----|
| i. Public Law 101-510 (as amended) | P&L |
| ii. Section 2687, Title 10, US Code | P&L |
| iii. DoD Policy Memoranda | P&L |
| iv. Base Structure Summary | P&L |
| v. History of Base Closures | P&L |
| vi. Index of Affected Bases & Personnel Impacts | P&L |

Force Structure Plan (classified) (Volume II) Joint Staff

Department of the Army Analyses and Recommendations (Volume III) Army

1. Executive Summary
2. Statement of Purpose
3. Service Projected Force Structure
4. Service Process
5. Description of Analyses
6. Recommendations (see attached format)
7. Budget Impacts
8. Classified Appendices (if required)

Department of the Navy Analyses and Recommendations (Volume IV) Navy & Marine Corps

1. Executive Summary
2. Statement of Purpose
3. Service Projected Force Structure
4. Service Process
5. Description of Analyses
6. Recommendations (see attached format)
7. Budget Impacts
8. Classified Appendices (if required)

Department of the Air Force Analyses and Recommendations (Volume V) Air Force

1. Executive Summary
2. Statement of Purpose
3. Service Projected Force Structure
4. Service Process
5. Description of Analyses
6. Recommendations (see attached format)
7. Budget Impacts
8. Classified Appendices (if required)

Defense Agencies Analyses and Recommendations (Volume VI) Defense Agencies

1. Executive Summary
2. Statement of Purpose
3. Agency Projected Force Structure
4. Agency Process
5. Description of Analyses
6. Recommendations (see attached format)
7. Budget Impacts
8. Classified Appendices (if required)

Name of Recommendation
(e g., John Q. Public Naval Air Facility, [State])

Recommendation: Describe what is to be closed and/or realigned; units, functions or organizations that will be eliminated or moved; identify the receiving installations, if applicable; and describe units functions or organizations that will remain on the base, if applicable.

Justification: Explain the reasons for the recommendation: i.e., force structure reductions, mission transfer, consolidation or elimination, excess capacity, etc., as applicable.

Impact: Describe the impact the recommendation will have on the local community's economy in terms of direct and indirect employment loss. Also include an estimate of the cost of implementing the recommendation and expected annual savings after implementation.



THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-8000
December 9, 1992

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: 1993 Base Realignment and Closure (BRAC 93)
Recommendations

The Secretaries of the Military Departments and other DoD Components shall submit their recommendations for base realignments or closures under Public Law 101-510 to the Assistant Secretary of Defense (Production and Logistics) by 8:00am on February 22, 1993.

ASD(P&L) will process and forward the recommendations to the Secretary of Defense for approval. Recommendations should be submitted in the format described in ASD(P&L) Base Closure Policy Memorandum Two.

Colin McMillen



THE DEPUTY SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

10 December 1992

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: 1993 Base Closure and Realignment Selection Criteria

The attached 1993 Base Closure and Realignment (BRAC 93) Selection Criteria, required by Section 2903(b) of P.L. 101-510, form the basis, along with the force structure plan, of the base closure and realignment process. DoD components shall use these criteria in the base structure analysis to nominate BRAC 93 closure or realignment candidates. The criteria will also be used by the 1993 Defense Base Closure and Realignment Commission in their review of the Department of Defense final recommendations.

Df Atwood

Attachment

**Department of Defense Final Criteria
for
Closing and Realigning
Military Installations Inside the United States**

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

Military Value

- 1. The current and future mission requirements and the impact on operational readiness of the Department of Defense's total force.**
- 2. The availability and condition of land, facilities and associated airspace at both the existing and potential receiving locations.**
- 3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.**
- 4. The cost and manpower implications.**

Return on Investment

- 5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.**

Impacts

- 6. The economic impact on communities.**
- 7. The ability of both the existing and potential receiving communities' infrastructure to support forces, missions and personnel.**
- 8. The environmental impact.**



PRODUCTION AND
LOGISTICS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-8000

December 24, 1992

**MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS,
LOGISTICS AND ENVIRONMENT)
ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS
AND ENVIRONMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(INSTALLATIONS)**

SUBJECT: Base Closure Cumulative Economic Impact

Base Closure Policy Memorandum Two included guidance on the calculation of economic impact at closing, realigning or receiving bases during the 1993 round of base closures (BRAC 93). Specifically, the Military Departments and Defense Agencies are responsible for determining changes in military, civilian and contractor employment at each base recommended for closure, realignment or as a receiving base, and entering this data into the economic impact spreadsheet supplied by the Office of Economic Adjustment (OEA).

To ensure that the impact of previous closures and realignments are reflected in cumulative economic impact considerations, data must also be entered for closed, realigned or gaining bases identified during BRAC 88 and BRAC 91. This information should be readily available in your BRAC 91 economic impact spreadsheet printouts. Any adjustments to previous BRAC 88 or BRAC 91 actions necessitated by BRAC 93 recommendations should also be made on the spreadsheets (i.e., personnel now going to Base "Y" instead of Base "X", etc).

We will combine Department/Agency spreadsheets to determine DoD-wide cumulative economic impact within each defined geographic area.

If you have any questions please contact Mr. Dom Miglionico at 697-8050.

David J. Berteau
Principal Deputy



PRODUCTION AND
LOGISTICS

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301-8000

JAN 28 1993

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS,
LOGISTICS AND ENVIRONMENT)
ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS AND
ENVIRONMENT)
ASSISTANT SECRETARY OF THE AIR FORCE
(INSTALLATIONS)
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Base Closure and Realignment--Additional Guidance

As we go through the final weeks of preparation before presenting a list of closure candidates to the Secretary, I want to review a few remaining details for your submissions which are due on February 22, 1993,

- o We will need 5 hard copies of your unclassified section and 5 copies of your classified submission (if required) of the final report (refer to ASD(P&L) Base Closure Policy Memorandum Two, attachment 4). We will need additional copies in March for distribution to the Commission, Congress, the GAO, etc.
- o Your "Recommendation" pages need not necessarily be limited to one page. The importance your "one-page" recommendations and justifications will play in this process cannot be over emphasized, especially the recommendations, which must be complete. Therefore, the ability to withstand public and Commission scrutiny overrides the desire for brevity. Although they are part of your final report, we will also need your "Recommendation" pages on a 5 1/4" or 3 1/2" floppy disk in WordPerfect 5.0 or 5.1.
- o We will need a copy of the COBRA Personnel Movement Report (refer to page 125, COBRA User's Manual) for each base in your closure/realignment scenarios.

- o We will need a printout and computer disk of your economic impact spreadsheets for your BRAC 93 recommendations.
- o We will also need the number of military, civilian, and estimated Base Operating Support contractor employees on board each of your BRAC 88 and BRAC 91 closures and realignments as of June 30, 1991. This information will be used to calculate DoD-wide cumulative impact by OASD(P&L). Refer to ASD(P&L) memorandum of December 24, 1992.
- o The above data and information is all due February 22, 1993.

Based on our review of the new OMB Circular A-94 (October 29, 1992) the discount rate for COBRA Return on Investment Calculations has been changed to 7 percent vice 10 percent. Please make this change to the COBRA standard factors file and note the change in your copy of Base Closure Policy Memorandum Two, dated December 4, 1992. Also, since the COBRA model is being continually refined, please delete any references to "version 4.0" in the memorandum.

Finally, I want to take this opportunity to thank you and your staffs for all your support and hard work during this BRAC 93 process.



David J. Berteau
Principal Deputy Assistant Secretary
of Defense (Production and Logistics)